

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 029286

12

ORIGIN EUR-04

INFO OCT-01 ISO-00 /005 R

66610

DRAFTED BY: EUR/RPE:JTMCCARTHY

APPROVED BY: EUR/RPE:ACALBRECHT

----- 023658

R 131725Z FEB 74

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS

LIMITED OFFICIAL USE STATE 029286

FOLLOWING REPEAT BONN 2263 ACTION SECSTATE 11 FEB

QUOTE

LIMITED OFFICIAL USE BONN 02263

PASS AGRICULTURE FOR GOODMAN AND GRAIN & FEED DIVISION

E.O. 11652: N/A

TAGS: EAGR, GW

SUBJECT: FRG INTERVENTION AGENCY CORN TENDER AND IN-
FERENCE OF STOCK BUILDING

REF: FASTO 25

1. ALTHOUGH FRG FEDERAL RESERVE STOCKS ARE KNOWN TO HAVE
BEEN MAINTAINED AT ABOUT TWO MILLION TONS, NEITHER THE
COMMODITY COMPOSITION NOR THE DISPOSITION/ACQUISITION
PLANS ARE MADE AVAILABLE UNTIL PLANS ARE OFFICIALLY PUB-
LISHED. AS MANAGER OF THE FEDERAL RESERVES, INTERVENTION
AGENCY SOUGHT ADDITIONAL STOCKS OF CORN AND DURUM SUBJECT
TO MINAG APPROVAL. DURUM PROPOSAL WAS REJECTED ALMOST
OUT-OF-HAND. CORN PROPOSAL IS REPORTED LIMITED TO ALLO-
CATION OF FUNDS THAT WOULD PERMIT PURCHASING ONLY ABOUT
HALF OF THE 250,000 TONS BEING TENDERED FOR. MINAG RE-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 029286

PORTEDLY ANGUISHED OVER ALLOWING ANY TENDER AT THIS TIME,

BUT WERE RUMORED TO HAVE BEEN PERSUADED BY INFLUENTIAL GERMAN TRADERS WHO COULD OFFER BALKAN CORN. MINAG CONCERN WAS PROMPTED BY (1) POSSIBLE STIMULUS TO FRENCH CORN PRICES THAT ARE HIGHER THAN WHEAT DESPITE RECENT WHEAT SALES TO ITALY REPORTED TO BE IN EXCESS OF ONE MILLION TONS, AND (2) CONCERN THAT THE SHORTFALL IN EC CORN PRIOR TO FRENCH NEW CROP WILL BE ABOUT 500,000 TONS.

2. FEDERAL RESERVE CORN STOCKS CALCULATED AS THE RESIDUAL OF TOTAL STOCKS LESS COMMERCIAL STOCKS SHOWED 150,000 ON HAND AS OF AUGUST 1, 1973, WITH NO PROGRAM ANNOUNCEMENT SINCE THAT DATE. IF THE INTERVENTION AGENCY SUCCEEDS IN BUYING THE FULL 250,000 TONS, TOTAL CORN STOCKS WOULD THEN BE AT ABOUT THE SAME LEVEL AS IN BOTH 1967 AND 1968. IN OUR OPINION, THIS TENDER DOES NOT REFLECT A SIGNIFICANT STEP TOWARD A DELIBERATE STOCK BUILDUP.

3. CALCULATED FRG FEDERAL RESERVE STOCKS FOR CORN ARE AS FOLLOWS: 1967-407; 1968-402; 1969-170; 1970-13; 1971-11; 1972-140; 1973-150.
HILLENBRAND UNQUOTE KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CORN, TRADE, COMMODITY AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE029286
Document Source: CORE
Document Unique ID: 00
Drafter: EUR/RPE:JTMCCARTHY
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740235/aaaabgqc.tel
Line Count: 83
Locator: TEXT ON-LINE
Office: ORIGIN EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: FASTO 25
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAR 2002 by elyme>; APPROVED <31 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRG INTERVENTION AGENCY CORN TENDER AND IN- FERENCE OF STOCK BUILDING
TAGS: EAGR, GE
To: EC BRUSSELS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005